KEYSPAN ENERGY DELIVERY NEW ENGLAND
D.T.E. 05-68

FIRST SET OF INFORMATION REQUESTS OF THE
DEPARTMENT OF TELECOMMUNICATIONS AND ENERGY TO
KEYSPAN ENERGY DELIVERY NEW ENGLAND

DTE 1-8

Date: February 1, 2006

Respondent: Theodore Poe, Jr.

Q. Please discuss how the Company's SENDOUT® model accounts and adjusts for the purchase of spot gas.

A. Please refer to pages 71-72 of the Company's filing. Spot gas, as used within the Company's SENDOUT® model analyses, is referred to as "Other Purchased Resources" or "OPR." Its sole purpose within the model is to serve as a supply that can be taken when there are no other resources within the Company's portfolio to satisfy customer requirements. Other Purchased Resources therefore defines additional supply and/or capacity that are needed within the Company's portfolio to meet the Company's design planning standards.

This use of "spot gas" within the model is different from the actual use of spot gas under the Company's daily gas purchasing practices. When spot gas is available and its price is less than the commodity cost of a supply within the Company's resource portfolio, then, subject to contractual restrictions associated with the commodity already under contract, the Company may defer dispatching the higher-cost supply and purchase the spot gas.